

04/22/2019

University Senates Conference
378 Henry Administration Building, MC-348
506 South Wright Street
Urbana, IL 61801

April 10, 2019

President Timothy Killeen
364 Henry Administration Building
MC 346

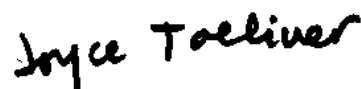
Re: Proposed Revision to the *General Rules Concerning University Organization and Procedure*, Article IV, Section 1 (i) (1) – Postdoctoral Research Associate
Compensable Vacation (USC GR-50)

Dear President Killeen,

Associate Vice President Jami Painter asked the University Senates Conference to review the proposed revision to the *General Rules* listed above. At its meeting on April 2, the Conference supported the change.

Please consider this our advice on this matter.

Sincerely,



Joyce Tolliver, Chair
University Senates Conference

c: Jami Painter
Barbara Wilson
Bettina Francis
Ranjan Karri
Catherine Vincent
Elizabeth Dooley
Brian Moore
Jenny Roether
Members, University Senates Conference



**PROPOSED CHANGE TO POSTDOCTORAL RESEARCH ASSOCIATE
COMPENSABLE VACATION**

Postdoctoral Research Associates are integral parts of our research community. The University of Illinois System continues to offer competitive employment opportunities for postdoctoral research associates, particularly at Urbana-Champaign and Chicago. Over recent years, faculty and administrators at the University of Illinois System have requested financial relief associated with the employment of postdoctoral research associates.

This proposal is in response to those requests and has been vetted and endorsed by the following at each university and the system offices:

- Chancellors Amiridis, Jones, and Koch
- Provosts Cangellaris, Poser, and Papini
- Executive VP/VPAA Wilson
- VP/CFO Ghosh
- Legal Counsel
- Vice Chancellors for Research
- System Human Resources
- Illinois Human Resources
- UIC Human Resources
- UIS Human Resources
- UIUC Graduate College
- UIC Graduate College

PROPOSAL

Change future postdoctoral research associates vacation leave benefits from **compensable** - accrued but unused hours are paid out at the time of separation, to **non-compensable** - same vacation leave accrual and usage but **no** payout of unused hours at the time of separation.

This retains the amount of vacation available to postdoctoral research associates while addressing the financial impacts of a terminal vacation payout.

IMPLEMENTATION

- May 16, 2019 Board of Trustees Meeting – Submit proposed changes to *General Rules*¹, Article IV, Section 1 (i).
- May/June – If approved, communicate to colleges/units and revise HR systems and procedures.
- August 16, 2019 – Effective for new offers made to Postdoctoral Research Associates

Current Postdoctoral Research Associates

No change - all current vacation eligible postdoctoral research associates will continue to be paid at the time of separation, any accrued and unused vacation leave up to a maximum of 48 days.

New Hire Postdoctoral Research Associates

All new postdoctoral research associates who receive an employment offer on or after August 16, 2019, will not earn compensable vacation leave and thus will not receive a vacation payout at the time of separation. They will, however, continue to accrue and rollover vacation leave hours each year at the same rate if on a 12-month appointment.

BACKGROUND

Due to the structure of the state's Central Management Services and State Universities Retirement System, employees are only eligible for health insurance if they are eligible for retirement benefits. The dual cost of these two benefits is the most significant factor in our high fringe rate. While we may wish to look at altering the retirement benefits for postdoctoral research associates, we cannot do so without eliminating insurance benefits which would make our employment offers simply uncompetitive.

One cost savings measure we control relates to vacation benefits. Our postdoctoral research associate appointments are time-limited; they can be held for only up to five years, and are often held for a much briefer period. The average length of a postdoctoral research associate position is around two years. If we support the idea that compensable vacation payouts are intended for longer term positions, it would be feasible that our time-limited postdoctoral research associates do not earn **compensable** vacation leave – meaning they do not receive payment for unused vacation leave at the time of termination. Fringe termination rates are intended to pay for terminal vacation payouts, however, these funds are not sufficient to cover terminal vacation payouts for time-limited appointments; faculty often are required to pay for part of the terminal vacation payout from other funds.

Currently, postdoctoral research associates on a 1 FTE, twelve-month service basis appointment accrue 24 vacation days per academic year which may roll-over and accumulate each academic year up to 72 days a year. At the time of termination, unused vacation leave up to a maximum of 48 days are paid out to the separating post-doc. Currently, there are approximately 500 postdocs at UIUC and 200 at UIC. In Academic Year 2016-2017, a total of \$725,478.62 at UIUC and \$216,072.17 at UIC was paid out due to vacation accrual and compensation after 261 postdoc separations.

Among our peer institutions, most do not offer vacation rollover each year, nor offer compensable terminal pay for unused vacation. Most also accrue vacation at lower rates per year.

Government Costing indicates this will impact the fringe rate assessed to postdoctoral research associates. The FY19 termination rate included in fringe benefit rates for postdocs is 1.06% (termination rate is solely for vacation payouts). If postdoctoral research associates were no longer eligible for terminal vacation pay, the termination rate would not be included in the fringe rate. Government Costing, however, did state that the overall termination rate for all SURS eligible employees hired after 4/1/86 could increase.

ⁱ ARTICLE IV. EMPLOYMENT POLICIES

SECTION 1. TERMS OF EMPLOYMENT OF ACADEMIC AND ADMINISTRATIVE STAFF

(a) The terms of employment of the academic and administrative staff, as defined in the University of Illinois *Statutes* shall be explicitly stated by the nominating officer, indicating that services are required for:

- (1) The academic year, which shall consist of two semesters.
- (2) Twelve months, including allowable vacation.
- (3) The summer session.
- (4) Other stated periods.

(b) The teaching staff shall be appointed with services required for either the academic year or for twelve months. Those who are appointed for the academic year shall be free for other employment, either in the University or elsewhere, during the summer months, except that they shall report for any departmental meetings before registration and render all services requested of them in connection with registration and the preparation of materials and reports for the academic year. No vacation benefits accrue on appointments with services required for the academic year.

(c) The administrative, research, and extension staffs generally shall be appointed with services required for twelve months, including allowable vacation. Allowable vacations for those appointed for twelve months shall consist of 24 working days per appointment year. Vacation shall be arranged to accommodate the convenience of the staff member and the requirements of the unit. Vacation may be accumulated up to a maximum of 48 working days. During a partial-year appointment, vacation shall be prorated. Vacations taken during the holiday recesses, other than the actual holidays recognized by the University, shall be considered a part of the annual vacation allowance of 24 days. Holidays recognized by the University shall be New Year's, Martin Luther King Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Christmas, and such other days as may be determined by the president of the University.

(d) Procedures for the determination of compensation for services for periods less than the full academic year shall be approved by the appropriate chancellor/vice president and by the president.

(e) Members of the staff required to render services during the academic year may be employed in the summer session or to perform research or other services during a period not exceeding two months and receive for each month of such service additional compensation at the monthly rate of one-ninth of the full-time rate paid for services required during the preceding academic year. Such employment may be for longer periods during the summer only upon the advance approval of the chancellor/vice president. Staff members required to render services for twelve months, with allowable vacation, shall not receive additional compensation for services rendered during the summer. For staff members rendering services partly on a twelve-month basis and partly on an academic-year basis, this regulation applies only to the twelve-month portion.

(f) Full-time employees shall not receive compensation for services in excess of a normal schedule within the University except for a reasonable amount of instruction in continuing education courses or grading of special examinations (outside regular course work), all to be done at a time that does not conflict with other university duties. Exceptions may be made to this rule only with advance approval of the chancellor/vice president. These exceptions should be held to a minimum.

(g) All staff members rendering services on a twelve-month basis with allowable vacation shall be compensated in twelve equal monthly installments.

(h) Staff members with the exception of assistants rendering services during the academic year shall be compensated in twelve monthly installments or on a pro rata basis for shorter periods. Assistants shall be compensated in monthly installments during the period over which services are rendered.

(i) In case of termination of service of members of the academic and administrative staff, the following rules shall govern the determination of salaries:

(1) Services required for twelve months, with allowable vacation:

a) After the first month of service, a pro rata share of earned vacation shall be paid, except to research associates modified by the postdoctoral title. Postdoctoral research associate vacation shall be ineligible for termination pay and shall not transfer to any position which is not postdoctoral.

b) A pro rata reduction in final salary payment shall be made for any vacation taken but not earned.

(2) Services required for the academic year: Total payments shall equal a percentage of the annual salary determined by the services rendered in relation to the academic year established for the campus.